

The Continued Need for Accountability in Tennessee Higher Education

Tennessee Higher Education Commission

January 2002

Although the call for accountability in higher education is a relatively recent phenomenon nationally, Tennessee has had proven success with its assessment driven policy designed to stimulate instructional improvement and student learning.

The last decade was an unstable era for higher education in Tennessee, marked by rising tuition costs, fluctuating commitments to financial aid, and a constant effort on the part of academic institutions to garner essential resources while also cutting operating costs. As these pressures on higher education have increased, institutions have been subject to a greater degree of legislative oversight focused on its day-to-day operations.

The recent concern with the public accountability of higher education in the United States is undeniable, and well warranted. In light of the major economic and social changes that are occurring both within Tennessee and the nation, students, parents, legislators, administrators, and policy-makers alike consider quality higher education a key component to obtaining employment in today's competitive job market. Thus, consumers are increasingly interested in obtaining information on the quality of the education that colleges provide, notwithstanding the increasing cost of obtaining a higher education. As a result, state legislators and community leaders are called to assess higher education, which in turn has put increased pressure on state governing bodies for the assessment of student learning.

The concern for accountability is especially evident in states with restricted fiscal capacities. Not surprisingly, the focus on accountability has moved to the forefront of the political agenda in Tennessee as institutions in the state struggle to achieve funding levels comparable to their regional peers. In response to the recent appropriation increases awarded by the Tennessee legislature to higher education, several executive and legislative offices recently completed an accountability study of higher education in Tennessee. Although this study reached several tenuous

conclusions, it should be applauded for calling attention to the need for higher education to be accountable to the diverse needs of Tennessee. The current condition of education in Tennessee is lacking, as approximately seventeen percent of Tennesseans hold a college degree. Higher education must re-evaluate and modify its mission so that it meets the educational and economic needs of the state.

Although the call for accountability in higher education is a relatively recent phenomenon nationally, Tennessee has had proven success with its assessment driven policy designed to stimulate instructional improvement and student learning. The state's higher education system has long appreciated the need for accountability, and continues to embrace its values. Its educators realize that only through responding to the needs and demands of the state's citizens, business interests, and elected officials can higher education maintain its vitality. Decision-makers also realize the value that education holds for the future of Tennessee.

In order to meet the needs of a changing workforce and economy, higher education must be willing to adapt to the ever-changing needs of the marketplace. Furthermore, unless institutions are accountable to these changing demands, they will lose their legitimacy and relevance in the face of a changing educational marketplace in which national service providers such as the University of Phoenix create new market opportunities that are responsive to consumer demands.

Under the leadership of the Commission, higher education has recently revitalized its traditional accountability system. Policymakers at the Commission listened

to the calls of business and industry to adapt programs and systems that meet the changing needs of the information economy. The Commission also

Listing of Accountability Measures Collected by the Tennessee Higher Education Commission

1. % of high school graduates requiring remedial or developmental courses
2. ACT Comp and College Base scores
3. General education test scores
4. Pilot test of general education
5. Academic program assessment (major field)
6. % of programs meeting peer review standards
7. % of accreditable programs accredited
8. % of courses taught by faculty at various levels (full-time faculty, part-time faculty, graduate assistant, etc.)
9. Licensure exam passage rates
10. % of teacher education graduates passing the PRAXIS test
11. Employer satisfaction
12. Student and Alumni satisfaction survey results
13. Standardized test scores-core knowledge and skills (4-yr and 2-yr schools)
14. Expenditures on library books
15. Undergraduate enrollment of TN public and private postsecondary institutions
16. Undergraduate enrollment of recent Tennessee high school graduates in Tennessee's public and private institutions.
17. Technology Center enrollment
18. Enrollment in graduate and professional schools
19. Transfers to two-year schools, four-year schools, and to private schools
20. % of students completing the university parallel degrees who transfer into baccalaureate programs.
21. Transfer rates
22. Undergraduate enrollment by gender
23. Enrollment by race at TTC's, 2 year, and four year institutions
24. Transfer rates by race
25. Persistence to graduation by race
26. Enrollment of students over 25 in higher education
27. Number and % of students receiving financial aid at TTC's, two-year schools, four-year schools, and private schools
28. Distribution of financial aid dollars to various levels of public institutions and private colleges
29. % of students receiving financial aid
30. Tuition and fees
31. Job placement for two-year schools
32. Faculty salaries compared to peers
33. Distribution of Ned McWherter Scholars
34. State appropriations for higher education
35. Expenditures on research and public service from restricted accounts at public and private schools
36. Expenditures by category
37. State and institutional planning priorities
38. Retention rates
39. Number of degrees/credentials granted
40. Graduation rates
41. Faculty productivity (class size, hours of instruction, research time)
42. Staffing at institutions by category
43. Teacher certification and licensure

listened to the concerns of the campuses regarding accountability policies in Tennessee. As a result, specific measures were adopted that mandated the incorporation of the assessment for results ethos into the day-to-day operations of higher education.

The Commission has worked diligently to align the planning calendars of THEC, TBR, and UT. As a result of actions taken by the Commission in 1999, performance, campus, governing board, and statewide planning now occur on common cycles and calendars. This movement will ultimately improve the ability of higher education to respond to the changing needs of the state's citizens, business, and industry.

Performance Measures in Tennessee

Tennessee has historically observed proven success with its innovative assessment driven policy that is designed to stimulate instructional improvement and student learning—performance funding. Tennessee pioneered performance funding for public higher education and addressed systemized accountability by establishing a series of performance or incentive funding initiatives that began shaping a portion of the higher education structure based on measurable outcomes (Alexander, 2000; Burke and Mondaressi 2000). It was in appreciation of the need for a more appropriate response to the demands of accountability and in simultaneous recognition of the limitations of the enrollment-driven formula that the Performance Funding Program found its stimulus and rationale (Dumont, 1980).

Higher education in Tennessee has worked diligently to provide students, parents, and elected officials with the critical information and data needed to make informed decisions regarding the efficiency and quality of the educational product that it provides. Through reports such as the State Master Plan, *Challenge 2000*, and the *Joint Report on Pre-K through Higher Education*, higher education has remained ever vigilant to the concerns of the various populations that it serves. Furthermore, through a variety of state, regional, and federal programs, the Commission reports on more than 40 different areas annually.

Tennessee has been nationally recognized as a leader in the area of higher education accountability. Specifically, its Performance Funding program is considered a hallmark effort to merge institutional accountability with direct legislative appropriations. This program gives all public institutions an opportunity to earn a budget supplement of approximately 5.45 percent of the instructional component of its education and general budget for carrying out the following activities: ¹obtaining accreditation for academic programs; ²testing

graduating students in their major fields and in general education using standardized externally developed examinations, and – for additional credit – demonstrating that graduates score at or above national averages on these tests;³ surveying presently enrolled students, recent graduates, and/or community members/employers to assess their satisfaction with the institution's academic programs and student services; ⁴conducting peer review of its academic programs; and, ⁵clearly implementing the results of the assessment activities for campus improvements and programmatic revisions. (THEC, 2000).

This allotment for performance is the highest percentage of overall operating budgets allocated for performance in the nation. Although many state budgetary processes involve performance supplements, or performance components (South Carolina and Florida), Tennessee is the only state in the nation with directly measurable goals that account for more than five percent of the overall operating appropriations. Furthermore, because of funding inadequacies, the incentive pool created for performance funding no longer represents an incentive for exemplary performance or institutional improvement. Campuses are forced to include performance dollars into their general operating expenses.

Throughout the existence of this program, THEC has consulted extensively with institutions, systems and governing boards, and national advisory panels to maintain the vibrancy of the policy. Performance funding has evolved over five major cycles including a pilot phase and four five-year cycles. During this period THEC has maintained the primary role in the development and implementation of performance funding throughout all cycles. Another hallmark of this program is that through continued comprehensive consultation with institutions, the policy has developed and evolved as the needs of the state, institutions, students, parents, and businesses have changed. Furthermore, by encouraging instructional excellence, the "Performance Funding Program contributes to continuing public support of higher education and complements academic planning, program improvement and student learning" (Tennessee Higher Education Commission, 1993, p. ii).

One of the most recent innovative additions to the program in Tennessee is the inclusion of a variety of assessment measures aimed at internal (campus

specific) rather than external accountability. This movement highlights the duality of performance funding; the policy must stimulate campus activity and initiatives while at the same time meeting the needs of elected officials and other external constituencies. One of the primary objectives of the most recent revisions to the performance funding program in Tennessee was to bring performance funding, campus, governing board, and statewide planning together on common cycles and calendars. This movement facilitated the development of performance funding goals that were directly related to institutional missions and planning objectives.

This development should result in the improved usability of performance funding to induce institutions to engage in their own local master planning and assessment activities. The South Carolina experience with performance funding has taught many in higher education that external support alone is not a precursor for policy success. If institutions are denied the opportunity for input and do not feel a sense of ownership in the program, the policy will ultimately fail. Policy makers in Tennessee were very aware of this as they developed the new standards for 2000-05. Careful measures were taken to ensure that both sides of the accountability bridge were sufficiently addressed to ensure the vitality of the program.

Public Chapter 994

During the 2000 legislative session, the General Assembly in Public Chapter 994 directed the Comptroller's Office of Research, the Office of Legislative Budget Analysis, and the Budget Division of the Department of Finance and Administration to conduct a joint study of Tennessee's higher education performance and accountability system. The purpose of this study was to address "potential outcome measures and performance benchmarks that could be used to measure progress toward specific goals for access to, and utilization, quality, and competitiveness of, Tennessee's higher education system."

One of the strengths of the study was its discussion of the failure of the higher education community to articulate the results of its planning and assessment activities to external constituencies. For too long higher education has guarded the results of accountability studies and was reluctant to share information with parents, students, and elected officials. However, the Commission has recently

taken several steps to remedy the deficiencies noted in Public Chapter 944. Specifically, the performance funding standards for 2000-05 contain explicit language mandating that THEC formally report all data and outcomes related to the program. Furthermore, the THEC web-page is presently under revision and will soon contain research briefs, presentations, and a variety of other informational sources for external constituencies.

The study also should be commended for its discussion of the need for an evaluation by external analysts of the data/indicators collected as part of the Performance Funding program. In response to these concerns, the Commission has been proactive in developing accountability measures that include direct language mandating that all goals, planning documents, and qualitative standards must be reviewed by a committee of external consultants. Additionally, Tennessee's accountability policy contains several standards that directly link planning, implementation, and assessment. These standards were designed to provide incentives for institutions to improve the quality of their academic programs by evaluating progress toward specific goals contained in the THEC Master Plan. These standards require campuses to develop measurable objectives that are directly tied to the Master Plan.

Conclusions

One of the hallmarks of the 1990's in higher education was the tension resulting from state demands for accountability and higher education's consistent desire for flexibility and autonomy. Increasingly, colleges and universities are being asked for more direct measures of student outcomes. National studies report recurring questions such as, how much did students learn, and did they complete college prepared for employment? Questions such as these resemble local debates regarding assessment of general education outcomes, critical thinking skills, and student/alumni satisfaction. Higher education must begin to align itself so that it can quickly and honestly answer such questions.

Over the last ten years, funding levels for higher education in Tennessee have not kept pace with peer averages, regional averages, or national averages. If the state is ever to realize its full potential, policy-makers must realize that only through investments in education will Tennessee move forward in the coming decades.

REFERENCES

Alexander, K. 2000. *Insert citation*

Banta, T. W., Rudolph, L. B., Van Dyke, J. & Fisher, H. S. 1996. "Performance Funding Comes of Age in Tennessee," Journal of Higher Education, (67) 1, 23-45.

Burke, J.C. and S. Mondarresi. 2000. "To keep or not to keep performance funding: signals from stakeholders." The Journal of Higher education. (71) 432-453.

Burke, J. C. 1997. Performance Funding Indicators: Concerns, Values, and Models for Two- and Four-Year Colleges and Universities. Albany, NY: Nelson A. Rockefeller Institute of Government.

Dumont, R. G. 1980. "Performance Funding and Power Relations in Higher Education." Journal of Higher Education, (51) 4, 400-423.

Ewell, P. T. 1993. "Performance Indicators: A New Round of Accountability." Assessment Update, 5, 12-13.

Tennessee Higher Education Commission. 1993. Performance Funding Handbook. Nashville: Tennessee Higher Education Commission.

Tennessee Higher Education Commission. 2000. Performance Funding Handbook. Nashville: Tennessee Higher Education Commission